



Franchise

compliance\_investigation@mastercard.com

February 9, 2024

**Rebekah Machusko**  
Pathward, National Association  
United States  
ICA #21538

Via E-Mail: rmachusko@pathward.com; networknotifications@pathward.com

Re: Noncompliance with Mastercard Standards

Dear Rebekah Machusko:

We are contacting you because your institution was noncompliant with Mastercard Standards in connection with your acquiring relationship with QuickCard EWallet. We have concluded that QuickCard EWallet, via Physical Locations for URLs including, but not limited to, goembarc.com; medithrive.com; bridgecitycollective.com; oregrown.com; weedys.com, farmhouse.delivery, was accepting Mastercard cards as payment for card-not-present sale of Illegal Drugs – Cannabis. In addition, we have concluded the following:

- Your institution did not perform a MATCH Inquiry prior to signing the merchant agreement.
- Your institution did not add the merchant to MATCH within five calendar days of the decision to terminate.
- QuickCard was operating as an unregistered service provider.
- Your institution was not utilizing the correct MCC for the expected wallet activity.
- The wallet retailers were located outside of your institution's area of use.
- QuickCard was not correctly processing transactions per the Staged Digital Wallet Operator requirements to disclose the retailers' names in the transaction message.

Please find attached in Attachment A hereto a list of the *Mastercard Rules* that pertain to this basis for noncompliance, mitigating factors and the final assessment amounts applicable to your institution. Accordingly, Mastercard will debit the ICA 21538 account of Pathward, National Association in the amount of USD 510,000 through the Mastercard Consolidated Billing System on or around February 18, 2024. Following this billing event, the BRAM investigation will be closed.

Should you wish to speak with someone directly regarding this communication, feel free to contact us at [compliance\\_investigation@mastercard.com](mailto:compliance_investigation@mastercard.com). Thank you for your cooperation on this matter and for partnering with us to preserve the integrity and legitimacy of our collective networks.

Sincerely,  
Franchise Customer Engagement & Performance  
Brand Performance



Franchise

compliance\_investigation@mastercard.com

**Attachment A**

Customer: Pathward, National Association  
 Merchant: QuickCard EWallet  
 BRAM ID: BRAM-CS-170-014-710-193-8102

**Rules Violated and Assessment Implications**

Reference Document & Section	Summary of Rule	Calculated Assessment	Mitigating Factor(s)	Final Assessment
<i>Mastercard Rules: 3.7 &amp; 5.12.7</i> Integrity of Brand & Network Illegal and Brand Damaging Activity	Customers are prohibited from engaging in or supporting any activity that is illegal, or that may, in the opinion of Mastercard, reflect negatively on our brands.	200,000	N/A	200,000
<i>Mastercard Rules:</i> Rule 5.1 The Merchant and ATM Owner Agreements	Customers may not submit for processing through the Interchange System any Transaction resulting from the acceptance of a Card by an entity or person except pursuant to a Merchant Agreement or ATM Owner Agreement then in effect between the Acquirer and the entity or person.	200,000	N/A	200,000
<i>Security Rules and Procedures: 11.2.3</i> Inquiring about a Merchant	An Acquirer must check MATCH before signing an agreement with a Merchant.	5,000	N/A	5,000
<i>Security Rules and Procedures: 11.2.2</i> When to Add a Merchant to MATCH	If an acquirer or the merchant acts to terminate the acquiring relationship and, at the time of that act, the acquirer has reason to believe that a condition described in the list of MATCH reason codes exists, then the acquirer must add the required information to MATCH within five calendar days.	5,000	N/A	5,000
<i>Mastercard Rules: 5.8.1</i> Card Acceptor Business Code (MCC) Information	Customers must ensure that each Merchant and Submerchant is identified in authorization and clearing Transaction messages with the Card acceptor business code (MCC) that reflects the primary business of the Merchant or Submerchant.	25,000	N/A	25,000
<i>Mastercard Rules: 1.7</i> Area of Use of the License	Customers may use a mark and conduct Activity solely in the Area of Use in which the customer has been granted a License.	25,000	N/A	25,000

## Franchise

compliance\_investigation@mastercard.com

Reference Document & Section	Summary of Rule	Calculated Assessment	Mitigating Factor(s)	Final Assessment
<i>Mastercard Rules: 7.2</i> The Program and Performance of Program Service	Before an entity commences of perform Program Service that supports or benefits a Customer's Program, the Customer must cause such an entity to be registered by the Corporation as a Service Provider.	25,000	N/A	25,000
<i>Mastercard Rules: 7.6.7</i> Staged Digital Wallet Operator Requirements	<p>The Acquirer is responsible for complying with the following.</p> <p>g. The Staged DWO must be identified in each funding stage Transaction, defined as a Transaction authorized during an End User's purchase of products or services from a retailer, as follows:</p> <ul style="list-style-type: none"> <li>– The Staged DWO name in conjunction with the retailer name in the format "Staged DWO*Retailer"</li> <li>– The retailer location address</li> <li>– The MCC that most closely describes the retailer's primary business</li> </ul>	25,000	N/A	25,000
<b>TOTAL (USD)</b>		<b>510,000</b>		<b>510,000</b>

The potential assessments noted above are consistent with the non-compliance assessment framework described in Rule 2.1.4 of the Mastercard Rules.